SUPREME COURT, U.S.
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No. ___

IN THE

Supreme Court of the United States

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS,
Petitioner,

v.

FUJITSU LIMITED AND FUJITSU HITACHI
PLASMA DISPLAY LIMITED,
Respondents.

Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Whether a State loses the right to an immediate appeal of a district court's denial of a claim of Eleventh Amendment sovereign immunity—a right recognized in *Puerto Rico Aqueduct & Sewer Authority v. Metcalf & Eddy, Inc.*, 506 U.S. 139 (1993)—when the district court indicates it may revisit the denial later in the lawsuit.

PARTIES TO THE PROCEEDING

The Petitioner in this Court is the Board of Trustees of the University of Illinois, plaintiff and counterclaim-defendant in the district court. The Respondents are Fujitsu Limited and Fujitsu Hitachi Plasmā Display Limited, defendants and counterclaimants below. Other parties to the proceedings in the district court (but not in the court of appeals or on this petition) are counterclaim-defendant Competitive Technologies, Inc., and defendants Fujitsu General Limited, Fujitsu General America, Inc., and Fujitsu Microelectronics America, Inc.

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PETITION FOR A WRIT OF CERTIORARI

Petitioner, the Board of Trustees of the University of Illinois, respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The opinion of the court of appeals dismissing Petitioner's appeal (App., *infra*, 1a-13a) is reported at 374 F.3d 1098 (Fed. Cir. 2004). The opinion of the court of appeals denying Petitioner's Petition for Rehearing and Suggestion for Rehearing En Banc (App., *infra*, 14a-18a) is reported at 393 F.3d 1376 (Fed. Cir. 2005). The opinion of the district court denying Petitioner's motion to dismiss Respondents' state-law counterclaims (App., *infra*, 19a-96a) is reported at 286 F. Supp. 2d 1118 (N.D. Cal. 2003).

JURISDICTION

The judgment of the court of appeals to be reviewed, which dismissed Petitioner's appeal, was entered on June 30, 2003. Petitioner had invoked the jurisdiction of the court of appeals under the "collateral order" doctrine and its particular application to appeals of denials of Eleventh Amendment sovereign immunity pursuant to *Puerto Rico Aqueduct & Sewer Authority v. Metcalf & Eddy, Inc.*, 506 U.S. 139 (1993). The subsequent order of the court of appeals, denying Petitioner's Petition for Rehearing and Suggestion for Rehearing En Banc, was entered on January 3, 2005. This Petition for Certiorari is therefore timely under Supreme Court Rule 13. The jurisdiction of this Court is invoked under Title 28 U.S.C. section 1254(1).

CONSTITUTIONAL PROVISION INVOLVED

The Eleventh Amendment to the United States Constitution states:

> The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

STATEMENT OF THE CASE

The Federal Circuit sua sponte dismissed on jurisdictional grounds the interlocutory appeal by a State entity from a district court's order denying a motion to dismiss based on Eleventh Amendment sovereign immunity. In doing so, the Federal Circuit created a split between itself and the Fifth Circuit as to when jurisdiction over such appeals is proper. The Federal Circuit decision also contravenes established law that was designed by this Court to protect the dignity of the States in the federal system.

On December 21, 2000, Petitioner the Board of Trustees of the University of Illinois (the "University") sued Fujitsu Limited, Fujitsu General Limited, Fujitsu Hitachi Plasma Display Limited, Fujitsu General America, Inc. and Fujitsu Microelectronics America, Inc. (collectively, "Fujitsu"), for patent infringement in the United States District Court for the Central District of Illinois. The case was stayed until September 25, 2001 because of a parallel proceeding before the International Trade Commission. On April 2, 2002, the Illinois district court granted Fujitsu's motion to transfer the case to the Northern District of California. On October 2, 2002, Fujitsu amended its answers and counterclaims and asserted certain state-law counterclaims against the University.

On October 18, 2002, the University filed a motion to strike and dismiss Fujitsu's counterclaims 5-13 (counterclaims 6-13 are the state-law counterclaims mentioned above.) The University argued, among other things, that state-law counterclaims 6-13 violated the University's Eleventh Amendment sovereign immunity.

On February 10, 2003, the district court denied the University's motion to dismiss, rejecting the University's assertion of Eleventh Amendment sovereign immunity grounds and therefore letting stand Fujitsu's state-law counterclaims 6-11. App. 52a-53a, 84a.[1] The district court analyzed the sovereign immunity issues in detail in seventeen pages of its opinion. App. 31a-55a. The district court first determined, as have all other courts that have considered the issue, that the University is an arm of the State of Illinois, entitled to claim

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[1] The district court dismissed counterclaims 12 and 13 on grounds unrelated to sovereign immunity. App. 84a. On February 24, 2003, the district court filed a corrected (but substantively unchanged) version of its February 10, 2003 Order. The University refers to the corrected version of the order in this brief, and has attached that corrected version at App. 19a-96a.

Eleventh Amendment immunity. App. 43a.[2] The district court then extensively considered, but rejected, substantive arguments advanced by the University and concluded that the University "has waived its Eleventh Amendment immunity as to Counterclaims Six through Thirteen." App. 6a, 53a. Because the district court's waiver determination relied on allegations in Fujitsu's affirmative defenses, the district court noted in a footnote at the end of its analysis that if "the Court determines at a later stage of this case that Fujitsu's affirmative defenses are not supported by the evidence or are otherwise insufficient as a matter of law, it may be necessary to revisit the question of [the University's] waiver of Eleventh Amendment immunity." App. 53a, n.15.

On March 11, 2003, the University timely filed its appeal in the United States Court of Appeals for the Federal Circuit. App. 7a.[3] The University argued (among other things) that the district court erred by ruling that the University had waived its Eleventh Amendment sovereign immunity against Fujitsu's state-law counterclaims simply because of the supposed overlap between Fujitsu's state-law counterclaims and Fujitsu's own affirmative defenses. The Federal

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[2] Federal courts have consistently concluded that the University is an arm of the State of Illinois. *See, e.g., Kaimowitz v. Bd. of Trs. of the Univ. of Ill.*, 951 F.2d 765, 767 (7th Cir. 1991); *Cannon v. Univ. of Health Sciences/The Chicago Med. Sch.*, 710 F.2d 351, 356-357 (7th Cir. 1983); *Doe v. Univ. of Ill.*, 138 F.3d 653, 656-660 (7th Cir. 1998), *vacated on other grounds*, 526 U.S. 1142 (1999); *Nanda v. Bd. of Trs. of the Univ. of Ill.*, 2002 U.S. Dist. LEXIS 12861 at *6 (N.D. Ill. July 12, 2002); *Loeffler v. Univ. of Ill. at Chicago*, 36 F. Supp. 2d 1058, 1058 (N.D. Ill. 1999).

[3] After the University filed its appeal but before the Federal Circuit issued its opinion, the district court granted summary judgment to Fujitsu on the University's patent claims. The district court, in accordance with the parties' stipulation, granted final judgment under Federal Rule of Civil Procedure 54(b) and stayed litigation of all remaining claims in the district court pending resolution of any appeal from the judgment under Rule 54(b). The University has separately appealed from that judgment.

Circuit heard oral argument on the University's appeal on February 3, 2004.

On June 30, 2004, without any briefing on the issue, the Federal Circuit sua sponte dismissed the University's appeal for lack of jurisdiction. The Federal Circuit took this drastic step although it recognized that "neither party in its briefs contest[ed]" that the Federal Circuit had jurisdiction. App. 7a. The Federal Circuit held that this Court's pronouncement in *Puerto Rico Aqueduct & Sewer Authority v. Metcalf & Eddy, Inc.*, 506 U.S. 139, 147 (1993) that "States and state entities that claim to be 'arms of the State' may take advantage of the collateral order doctrine to appeal a district court order denying a claim of Eleventh Amendment immunity" was inapplicable because the district court's decision was insufficiently final. The Federal Circuit relied on the district court's statement that "it may be necessary to revisit the question" of Eleventh Amendment immunity at a later stage of the litigation in concluding that the district court ruling was not final enough to support an immediate appeal. App. 3a, 11a, 53a n.15.

On July 14, 2004, the University petitioned the Federal Circuit for rehearing or rehearing en banc. In its petition, the University brought to the Federal Circuit's attention case law of the Fifth Circuit that conflicts with the Federal Circuit's dismissal of the University's sovereign immunity appeal. App. 16a. The Federal Circuit requested a response to the petition from Fujitsu, which Fujitsu filed on July 28, 2004. In its response, Fujitsu did not defend the Federal Circuit's sua sponte jurisdictional ruling. Instead, Fujitsu argued the merits of the sovereign immunity issue. App. 16a n.1. The Federal Circuit denied the University's petition for rehearing on January 3, 2005, relying again on the statement in the district court's opinion that it might reconsider its denial of sovereign immunity at a later time. App. 16a. The Federal Circuit

expressly declined to review the merits of the University's sovereign immunity defense. App. 16a n.1.

REASONS FOR GRANTING THE PETITION

I. THE FEDERAL CIRCUIT HAS CREATED A CONFLICT CONCERNING INTERLOCUTORY APPEALS FROM DENIALS OF ELEVENTH AMENDMENT SOVEREIGN IMMUNITY

A. States Have The Right To An Immediate Appeal From A Denial Of A Claim Of Eleventh Amendment Immunity

In 1993, this Court ruled that, when a district court denies a State's claim of sovereign immunity, the State may immediately appeal the denial. *Puerto Rico Aqueduct & Sewer Authority v. Metcalf & Eddy, Inc.*, 506 U.S. 139 (1993). The Court recognized that immediate appealability of such denials is necessary to vindicate the Eleventh Amendment right at issue.

Puerto Rico Aqueduct dealt with the "collateral order" doctrine, which allows interlocutory appeals in certain circumstances. Title 28 U.S.C. section 1291 gives United States courts of appeals jurisdiction over appeals "from all final decisions of the district courts."[4] Despite the statute's requirement of finality, certain interlocutory decisions make up a "small class which finally determine claims of right separable from, and collateral to, rights asserted in the action, too important to be denied review and too independent of the cause itself to require that appellate consideration be deferred until the whole case is adjudicated." *Cohen v. Beneficial Industrial Loan Corp.*, 337 U.S. 541, 546 (1949). This "small class" of interlocutory decisions may be appealed imme-

[4] 28 U.S.C. § 1295(a)(1) gives the United States Court of Appeals for the Federal Circuit jurisdiction over "final decision[s] . . . based on Section 1338 of [Title 28]."

diately, *id.* at 546-547, under what has come to be known as the "collateral order" doctrine. *See, e.g., Coopers & Lybrand v. Livesay*, 437 U.S. 463, 468 (1978).

In *Puerto Rico Aqueduct*, this Court held that "States and state entities that claim to be 'arms of the State' may take advantage of the collateral order doctrine to appeal a district court order denying a claim of Eleventh Amendment immunity." 506 U.S. at 147. The Court stated that "[o]nce it is established that a State and its 'arms' are, in effect, immune from suit in federal court, it follows that the elements of the *Cohen* collateral order doctrine are satisfied." *Id.* at 144.

The right to an immediate interlocutory appeal is necessary to vindicate the State's constitutional right to be free from having to litigate in Federal Court. Eleventh Amendment immunity is "an immunity from suit rather than a mere defense to liability," and "application of the collateral order doctrine in this type of case is justified in part by a concern that States not be unduly burdened by litigation." *Puerto Rico Aqueduct* at 144 (emphasis omitted), 146. The Court also specifically noted that the Eleventh Amendment "accords the States the respect owed them as members of the federation," and that the ultimate justification for the State's right to an interlocutory appeal is "the importance of ensuring that the States' dignitary interests can be fully vindicated." *Id.* at 146.

Since *Puerto Rico Aqueduct*, courts of appeals in every circuit have held that a denial of Eleventh Amendment immunity is immediately appealable—often explicitly recognizing the constitutional underpinnings of this procedural rule. *See, e.g., R.I. Dep't of Envtl. Mgmt. v. United States*, 304 F.3d 31, 43 (1st Cir. 2002) ("it seems beyond cavil that, absent immediate judicial review, an . . . adverse immunity determination will wholly deprive the state of a meaningful and adequate means of vindicating its rights.") (internal citations, brackets and quotation marks omitted); *Ossen v.*

Dep't of Soc. Servs. (*In re Charter Oak Assocs.*), 361 F.3d 760, 764 (2d Cir. 2004) (noting propriety of immediate appeal of sovereign immunity denial pursuant to *Puerto Rico Aqueduct*); *M.A. ex rel. E.S. v. State-Operated Sch. Dist.*, 344 F.3d 335, 344 (3d Cir. 2003) ("Because the protection of the Eleventh Amendment is akin to absolute immunity from suit, rather than an affirmative defense, that protection is lost if the suit is permitted to proceed without an appeal."); *Carefirst of Md., Inc. v. Carefirst Urgent Care Ctr., LLC*, 305 F.3d 253, 259 (4th Cir. 2002) (Eleventh Amendment immunity is paradigmatic "right that would be effectively lost if not vindicated before trial"); *Smith v. Wash. Metro. Area Transit Auth.*, 290 F.3d 201, 205 (4th Cir. 2002) ("It is settled that the denial of an immunity claim by a district court constitutes an appealable interlocutory decision.") (citations omitted); *Sherwinski v. Peterson*, *infra*, 98 F.3d 849 (5th Cir. 1996); *S.J. v. Hamilton County*, 374 F.3d 416, 418 (6th Cir. 2004); *Nanda v. Bd. of Trs. of the Univ. of Ill.*, 303 F.3d 817, 821 (7th Cir. 2002) ("It is well-settled that the issue of Eleventh Amendment immunity, which encompasses both immunity from liability as well as immunity from suit, is 'irretrievably lost' if not immediately appealable and therefore is properly raised in a collateral appeal."); *Okruhlik v. Univ. of Ark.*, 255 F.3d 615, 621 (8th Cir. 2001) (interlocutory denial of Eleventh Amendment immunity and all matters "inextricably intertwined" therewith are immediately appealable); *Montana v. Goldin* (*In re Pegasus Gold Corp.*), 394 F.3d 1189, 1193 (9th Cir. 2005); *Magnolia Marine Transp. Co. v. Oklahoma*, 366 F.3d 1153, 1154 (10th Cir. 2004) *Summit Med. Assocs., P.C. v. Pryor*, 180 F.3d 1326, 1334 (11th Cir. 1999) (noting that "[i]n *Puerto Rico Aqueduct*, the Supreme Court squarely held that an order denying a defendant Eleventh Amendment immunity is a collateral order subject to immediate interlocutory appeal"); *College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 148 F.3d 1343, 1346 (Fed. Cir. 1998) (citing *Puerto Rico Aqueduct* for proposition that

"pursuant to the collateral order doctrine and 28 U.S.C. § 1291, a state may appeal from a district court order denying it Eleventh Amendment immunity") (reversed on other grounds). This Court itself has repeated its pronouncement from *Puerto Rico Aqueduct* numerous times since, and as recently as May, 2004, in *Tennessee v. Lane*, 541 U.S. 509 n.1 (quoting *Puerto Rico Aqueduct*).

The current case appears to be the first one since *Puerto Rico Aqueduct* holding that a State does not have the right to an immediate interlocutory appeal of a denial of its sovereign immunity claim.[5] The Federal Circuit created an exception to the right to an immediate appeal recognized by *Puerto Rico Aqueduct*, concluding that a State may not appeal if the district determines that it may reconsider sovereign immunity issues later in the case. This exception to *Puerto Rico Aqueduct* (which the Federal Circuit created without any briefing of the jurisdictional issues, and which respondent Fujitsu did not defend even when requested by the court to respond to the University's rehearing petition) conflicts with case law from the Fifth Circuit. As explained immediately below, the Fifth Circuit has held that, even where a district court makes clear that it is willing to reconsider sovereign immunity issues later in a case, an immediate appeal is appropriate under *Puerto Rico Aqueduct*.

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[5] Two cases denied the right to an appeal where (unlike here) defendants sought immunity not from suit but from a particular type of damages. *Burns-Vidlak v. Chandler*, 165 F.3d 1257, 1260-1261 (9th Cir. 1999); *Mercer v. Magnant*, 40 F.3d 893, 896-897 (7th Cir. 1994). No case of which we are aware, until the current case, denied a State's right to an immediate appeal from a denial of sovereign immunity on entire causes of action.

B. The Fifth And Federal Circuits Conflict Over The Scope Of A State's Right To An Interlocutory Appeal

1. *The Fifth Circuit Recognizes That Denials Of Sovereign Immunity Are Subject To Immediate Appeal Even When A District Court May Revisit The Issue*

In *Sherwinski v. Peterson*, 98 F.3d 849 (5th Cir. 1996), the Fifth Circuit determined that it had jurisdiction over an appeal of a district court ruling refusing to dismiss on Eleventh Amendment sovereign immunity grounds, and reversed the district court on the issue. The Fifth Circuit concluded that it had jurisdiction over the appeal under *Puerto Rico Aqueduct* notwithstanding the fact that the district court order refusing to dismiss the State explicitly left open the possibility of later dismissal on immunity grounds, after "the factual and legal basis of the case has been further developed." *Id.* at 851.

In concluding that it had jurisdiction, the Fifth Circuit explained that, even if the sovereign immunity issue would be revisited later, an immediate appeal under *Puerto Rico Aqueduct* was necessary to vindicate the constitutional rights provided to the State of Texas by the Eleventh Amendment. Specifically, the Fifth Circuit reasoned:

> The district court's order does not deny the . . . motion to dismiss based on an express finding of no immunity, but the end result is the same—the [appellant], an arm of the State of Texas, is still involved in this litigation. 'The very object and purpose of the Eleventh Amendment [is] to prevent the indignity of subjecting a State to the coercive process of judicial tribunals at the instance of private parties.' Furthermore, 'the value to the States of their Eleventh Amendment immunity is for the most part lost as litigation proceeds past motion practice.' This

> Court, therefore has jurisdiction over this appeal under the collateral order doctrine.

Id. at 851 (quoting *Puerto Rico Aqueduct* at 146). *See also Gaines v. Davies*, 928 F.2d 705, 706-707 (5th Cir. 1991) (in qualified immunity case, Fifth Circuit assumed jurisdiction over interlocutory appeal from district court order refusing to rule on the immunity issue until after appellants submitted to depositions not limited to immunity issue).

The Fifth Circuit recognizes that, under *Puerto Rico Aqueduct*, orders denying a State or state entity's claim to Eleventh Amendment immunity constitute a class of cases that qualify for immediate appealability. *See Sherwinski, Gaines. See also Reyes v. Sazan*, 168 F.3d 158, 161 (5th Cir. 1999) ("Such appeals are within the collateral order doctrine's because the denial of immunity '[1] conclusively determines the disputed question, [2] resolves an important issue completely separate from the merits of the action, and [3] [is] effectively unreviewable on appeal from a final judgment.'") (quoting *Puerto Rico Aqueduct* at 144). Whether a district court order purports to expressly leave open the issue of Eleventh Amendment immunity has no effect on the immediate appealability of its denial of immunity.

2. *The Federal Circuit Has Held That Denials Of Sovereign Immunity Are Not Subject To Immediate Appeal When A District Court May Revisit The Issue*

Contrary to the decision of the Fifth Circuit, the Federal Circuit has held here that the right to an immediate appeal of a sovereign immunity denial is defeated because the district court might revisit the denial of immunity depending on later circumstances in the case.

There is no question that the district court denied on the merits the University's motion to dismiss on sovereign immunity grounds. The district court substantively analyzed

the sovereign immunity issues over the course of seventeen pages before holding that the University is an arm of the State of Illinois that enjoys sovereign immunity but that the University "has waived its Eleventh Amendment immunity as to Counterclaims Six through Thirteen." App. 53a, 6a. Prior to the current case, it was clear that such an explicit denial of sovereign immunity is subject to immediate appeal under *Puerto Rico Aqueduct*.

The district court concluded there was a waiver because it determined that Fujitsu's state-law counterclaims overlapped with Fujitsu's own affirmative defenses in the patent action—a fact that the University argued (both in the district court and in the Federal Circuit) should be irrelevant to sovereign immunity waiver. App. 44a, 7a. Because the district court determined that the issue of the sovereign immunity waiver is bound up in Fujitsu's own affirmative defenses, the Federal Circuit reasoned that the district court's denial of sovereign immunity could be altered by the result of later proceedings with respect to the affirmative defenses:

> The district court itself expressly noted that "it may be necessary to revisit the question of the [the University's] waiver of Eleventh Amendment immunity" if it were to determine "that Fujitsu's affirmative defenses are not supported by the evidence or are otherwise insufficient as a matter of law" . . . Until the district court resolves the issue of whether to dismiss some or all of Fujitsu's affirmative defenses, the University's entitlement to Eleventh Amendment sovereign immunity has not been "conclusively determined." [¶] Under such circumstances, we do not have jurisdiction over the district court's order under the *Cohen* collateral order doctrine.

App. 11a. In sum, the Federal Circuit determined that the fact that the district court's denial of sovereign immunity may be altered depending on later events in the proceedings defeats the State's right to an immediate interlocutory appeal. This is contrary to the Fifth Circuit's determination that an appeal

was proper despite the fact that the district court might later find immunity after "the factual and legal basis of the case has been further developed." *Sherwinski* at 851. It is also fundamentally at odds with the point of the rule allowing States to appeal immediately: that it constitutes an irreparable injury to the dignity of a State in our system to be required to litigate a matter as to which it is immune.

The University pointed out the conflict between the Federal Circuit's decision and *Sherwinski* in its petition for rehearing. In its order denying rehearing, the Federal Circuit attempted to distinguish the Fifth Circuit case:

> In *Sherwinski*, the district court denied the motion to dismiss by the [state entity], stating that "[u]ntil the factual and legal basis of the case has been further developed, no defendants will be dismissed." The Fifth Circuit noted that, although the district court's order did not expressly find that the [state entity] was not immune from suit, "the end result is the same" because the [state entity] did not receive the dismissal to which it was entitled. Thus *Sherwinski* is not a case in which the Eleventh Amendment immunity issue itself was expressly left open to reconsideration by the district court, as in this case; rather, the district court in *Sherwinski* declined to recognize the [state entity's] immunity defense and refused to dismiss."

App. 16a (citations omitted).

The Federal Circuit's attempted distinction of *Sherwinski* lacks analytical force. There is no practical difference for purposes of the collateral order doctrine between the Texas district court's statement that "[u]ntil the factual and legal basis of the case has been further developed, no defendants will be dismissed" and the California district court's statement that "[i]f the Court determines at a later stage of this case that Fujitsu's affirmative defenses are not supported by the evidence or are otherwise insufficient as a matter of

law, it may be necessary to revisit the question of [the University's] waiver of Eleventh Amendment immunity." In both cases, the district court's ruling explicitly recognized that its sovereign immunity determination could change later in the lawsuit. In both cases, the district court allowed the case to proceed against the State in the meantime. In such circumstances, the Fifth Circuit found that it had appellate jurisdiction while the Federal Circuit determined that it did not.

II. THE FEDERAL CIRCUIT'S HOLDING CURTAILS AN IMPORTANT PROCEDURAL RIGHT OF SOVEREIGN STATES

The Federal Circuit's decision here represents the first curtailment of a State's right to immediate interlocutory appeal as recognized by *Puerto Rico Aqueduct*. The ruling harms Eleventh Amendment rights recognized by this Court in a number of serious ways.

The decision allows a case to continue against a State—with no right to interlocutory review of a denial of sovereign immunity—on the theory that the case may ultimately be dismissed on immunity grounds. This runs contrary to the constitutional policies animating *Puerto Rico Aqueduct*, which establish that Eleventh Amendment immunity is "an immunity from suit rather than a mere defense to liability," and application of the collateral order doctrine in this type of case is justified by "the importance of ensuring that the States' dignitary interests can be fully vindicated." *Puerto Rico Aqueduct* at 144, 146. The Fifth Circuit clearly recognized these policies in *Sherwinski*: "the value to the States of their Eleventh Amendment immunity is for the most part lost as litigation proceeds past motion practice." *Sherwinski*, 98 F.3d at 851 (quoting *Puerto Rico Aqueduct* at 146). The Federal Circuit ruling ignores the policies that led *Sherwinski* and *Puerto Rico Aqueduct* to the contrary-conclusion. Allow-

ing a case to proceed without review until the district court revisits its ruling contravenes these principles.

The Federal Circuit's exception to the rule announced in *Puerto Rico Aqueduct* presents a blueprint for defeating the immediate appeal to which a State is entitled. If the approach taken by the Federal Circuit in this case were accepted, States could be deprived of their right to an immediate appeal whenever a district court is determined to leave open the immunity question until a later stage of the proceedings or expresses a willingness to revisit the issue at a later stage.

Further, the Federal Circuit's holding—that an appeal is not proper where "the Eleventh Amendment immunity issue itself was expressly left open to reconsideration by the district court" (App. 16a)—presents an exception that threatens instantly to swallow the rule. A statement by a district court that it may revisit the ruling simply makes explicit what is always the case with an interlocutory order—that the judge may reexamine his or her ruling on a particular issue at a later date. *Moses H. Cone Memorial Hosp. v. Mercury Constr. Corp.*, 460 U.S. 1, 12 (1983) ("every order short of a final decree is subject to reopening at the discretion of the district judge"). Yet this Court's precedent is exceptionally clear that denials of immunity are subject to immediate appeal even though they are always subject to reexamination by the district court.

The Federal Circuit's notion that the State may be forced to keep litigating until the district court revisits the issue conflicts with principles set forth in *Behrens v. Pelletier*, 516 U.S. 299 (1996). *Behrens* held that appellate jurisdiction exists over appeals of denials of immunity at each stage of a case—for example, from the denial of a motion to dismiss and then from a denial of a summary judgment motion. The Court noted: "*Harlow* [*v. Fitzgerald*, 457 U.S. 800 (1982)] and *Mitchell* [*v. Forsyth*, 472 U.S. 511 (1985)] make clear that the [immunity] defense is meant to give government

officials a right, not merely to avoid 'standing trial,' but also to avoid the burdens of 'such pretrial matters as discovery . . . , as inquiries of this kind can be peculiarly disruptive of effective government.'" *Id.* at 308 (emphasis and citation omitted). "Whether or not a later summary judgment motion is granted, denial of a motion to dismiss is conclusive as to this right. We would have thought that these and other statements from *Mitchell* and *Harlow* had settled the point[.]" *Id.* The recognition in *Behrens* that it is *not* acceptable to force an immune party to litigate until later action by the district court contradicts the Federal Circuit's determination that it is appropriate to force a sovereign State to do so.

The cases cited by the Federal Circuit in support of the rule are inapposite. Two of these did not concern any type of immunity (*Metro Servs. Inc. v. Wiggins*, 158 F.3d 162, 163 (2d Cir. 1998) (immediate appealability of designation of a lead class action plaintiff); *Lusardi v. Xerox Corp.*, 747 F.2d 174, 175 (3d Cir. 1984) (immediate appealability of class certification). App. 12a. Of the other two, *In re Agent Orange Prod. Liab. Litig.*, 745 F.2d 161 (2d Cir. 1984) (cited at App. 12a) has been superseded by *Mitchell v. Forsyth* and other Supreme Court cases, *see Dibble v. Fenimore*, 339 F.3d 120, 124 (2d Cir. 2003); *Lutz v. Secretary of Air Force*, 944 F.2d 1477, 1481 (9th Cir. 1991), and *Swint v. Chambers County Comm'n*, 514 U.S. 35, 43 (1995) expressly distinguishes itself in that the immunity asserted there "does not rank, under our decisions, as an immunity from suit" but rather "as a mere defense to liability." None of these cases should be used to limit this Court's jurisprudence embodied in *Puerto Rico Aqueduct* and *Mitchell v. Forsyth.*

The current case helps illustrate why it is inappropriate to deny a State's right to an immediate interlocutory appeal. The Federal Circuit determined that the University's right to an appeal must await the district court's later actions with respect to Fujitsu's affirmative defenses. The University con-

tends, however, that the alleged overlaps between Fujitsu's own affirmative defenses and Fujitsu's state-law counterclaims should not be relevant to determining sovereign immunity waiver. Because waiver must depend on the State's conduct—not its opponent's pleading choices—it is the facts underlying *the State's claims*, and not the defenses pled by its opponent, which may give rise to a waiver of sovereign immunity. *See, e.g., In re Lazar*, 237 F.3d 967, 979 (9th Cir. 2001) (considering whether "the counterclaim arises from the same aggregate set of operative facts *as the initial claim*") (emphasis added); *Lapides v. Bd. of Regents*, 535 U.S. 613, 620 (2002) (inquiry into waiver by litigation conduct "must focus on the litigation act *the State takes* that creates the waiver") (emphasis added); Fed. R. Civ. P. 13(a) (counterclaim is compulsory where it arises out of "the transaction or occurrence that is the subject matter of *the opposing party's claim*") (emphasis added). The district court extensively discussed and decided this issue of first impression in its published opinion. App. 45a-52a. The University respectfully disagreed with the district court's conclusion and challenged it on appeal.

The Federal Circuit, in dismissing the University's appeal, refused to address this issue until the district court makes further substantive rulings about the merits of the affirmative defenses. But if the University's argument is correct, such later rulings are irrelevant. Simply put, the University could be forced to endure additional litigation on Fujitsu's counterclaims, notwithstanding the existence of sovereign immunity, simply so that the district court can make further rulings which are irrelevant to the claim of immunity.[6]

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[6] The Federal Circuit discussed the district court's refusal to consider whether Fujitsu's affirmative defenses were insufficient as a matter of law or contained surplusage. App. 10a-11a. The district court's discussion of this issue is contained in a footnote at the very end of its extensive sovereign immunity analysis. App. 53a n.15. The Federal Circuit did not

Eleventh Amendment sovereign immunity is a fundamental right retained by the States under the Constitution. *See, e.g., Federal Maritime Commission v. South Carolina State Ports Authority*, 535 U.S. 743 (2002) ("An integral component of [the] residuary and inviolable sovereignty retained by the States is their immunity from private suits.") (internal quotation marks and citation omitted). In order that States and state entities might take true advantage of the rights that this Court has repeatedly recognized, the right to immediately appeal orders denying Eleventh Amendment immunity should be preserved.

III. AS AN ALTERNATIVE TO GRANTING THE PETITION, THIS COURT SHOULD SUMMARILY REVERSE THE FEDERAL CIRCUIT'S RULING

In addition to creating a conflict of authority with the Fifth Circuit's decision in *Sherwinski*, the ruling below is contrary to established law of this Court so as to justify an exercise of this Court's power to summarily reverse without requiring full briefing on the merits.

As explained above, this Court has held that rulings denying immunity defenses are subject to interlocutory appeal. The Federal Circuit's decision in this case fails to provide the University, an arm of the State of Illinois, the constitutional protection to which it is entitled. Such protection includes prompt interlocutory appellate consideration on the merits of whether the State is entitled to sovereign immunity—a procedural rule designed to "prevent the indignity of subjecting a State to the coercive process of judicial tribunals at the instance of private parties." *Puerto Rico Aqueduct* at 146.

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reach the important issue of first impression analyzed by the district court, and asserted by the University on appeal: whether the content of an affirmative defense asserted against a State's claim can waive the State's sovereign immunity in the first place.

Accordingly, as an alternative to granting the petition for certiorari and requiring merits briefing on the Federal Circuit's erroneous decision, the University respectfully requests that the Court grant summary reversal of the Federal Circuit's dismissal of the University's appeal in accordance with Supreme Court Rule 16.1.

CONCLUSION

The Federal Circuit's decision creates a conflict in the case law that weakens previously well-recognized protections for sovereign States. For the reasons stated above, the petition for a writ of certiorari should be granted. Alternatively, this Court should summarily reverse the Federal Circuit's dismissal of the appeal.

Respectfully submitted,

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